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SUBJECT: NINEWA: WHAT A DIFFERENCE FIVE MONTHS MAKE - MOSUL
RECONSTRUCTION MOVING FORWARD

REF: A. BAGHDAD 195 (JANUARY EXPLOSION)
[1](#)B. BAGHDAD 620 (PROVINCIAL BUDGET EXECUTION)

Classified By: NINEWA PRT LEADER JASON HYLAND for reasons 1.4 (B) AND (D)

This is a Ninewa Provincial Reconstruction Team (PRT) message.

[1](#)1. (C) Summary: The January 2008 massive explosion in the Zinjali neighborhood (ref a) appears in retrospect to have been the turning point in the Iraqi central government's determination to make a serious effort at Mosul reconstruction after years of conflict, neglect and terrorist intimidation. Prime Minister Maliki immediately sent a trusted advisor, Zuhair Chalabi, to bring martyr payments to the victims' families, and then followed that with a high-profile visit to this strategic city at the beginning of February, with the Defense Minister, National Security Advisor and other senior GOI officials in tow. The pace of engagement by the GOI has not let up since. Because of the success in Mosul and Ninewa Province of the Third Armored Cavalry Regiment (3ACR), and the Iraqi security forces-led Operation Lion's Roar, all stakeholders recognized the need for a rapid and professionally managed follow-on reconstruction effort to consolidate the security gains into long-term political and economic gains. The PRT has been linked with Chalabi and his efforts since his arrival, providing logistical support and advice where needed, arranging media engagements, and encouraging meetings with all stakeholders in the reconstruction process. End Summary.

The Prime Minister's Man in Charge

[1](#)2. (C) Prime Minister's Advisor Zuhair Chalabi has firmly taken leadership of Mosul Reconstruction, and broader reconstruction efforts in Ninewa Province. He has been very well-received by the population here, and has brought real hope. He has also brought \$100 million in reconstruction aid. Authorization to spend funds against this account is already here in the Central Bank of Iraq office in Mosul. He has also said repeatedly that we should not see \$100 million as the limit, and that it could be "doubled." "Money is not an issue," he said.

[1](#)3. (C) Chalabi has made absolutely clear) publicly and privately) that he is in charge of this process, not the controversial Governor, Vice Governor or any other local official, and has also demonstrated repeatedly that he has the clout in Baghdad to bring senior GOI officials here, and get attention from the ministries. His committee for managing reconstruction consists of Anwar Jamal Booni (Ministry of Planning), Kareem Hatab Jabar (Ministry of Oil), Saleh Safu Ahmed (Ministry of Electricity), Muthana Jahar Abdulzahra (Ministry of Trade), Mohamed Bakr Mohamed Jawad, Mohamed Fadl Hasoon (Ministry of Finance), Tahseen Ali Abbas (Municipalities expert), and Adnan Ahmed Ali (Health expert).

¶4. (C) Chalabi has held a series of meetings with key stakeholders) including provincial mayors, directors general, Provincial Council members, tribal leaders, and others) to explain his mandate and ask for project proposals. In parallel with this outreach, with support from the Prime Minister, retired Iraqi MG Ali Ghalib has been working to create Tribal Support Councils in both Mosul and rural Ninewa. While local officials still do not have confirmed details on the composition and arming of these councils, they appear to be an additional attempt by the Prime Minister to increase loyalty among Sunni Arabs toward the central government. Ghalib has also been very open to the press; the PRT has arranged media engagements, and will work closely with Coalition Forces to ensure that as projects unfold, the public hears the good news stories.

Giving Jobs to the People

¶5. (C) Chalabi has been explicit that he will not duplicate the projects already approved for the (remaining part of the) 2007 Ninewa Capital Budget, the 2008 Ninewa Capital Budget, as well as the projects proposed for Ninewa's share of the \$5 billion budget supplemental. He is asking for projects) throughout the province - that can be quickly executed, especially to produce desperately needed jobs. He says that he intends to have the committee, wherever possible, contract directly for projects, and not go through the usual provincial process. In a meeting with provincial mayors, he

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encouraged projects proposed by mayors ranging from fixing a road to buying a dialysis machine, but discouraged long-term bricks-and-mortar projects. He told journalists June 9 that his first priority is filling 15,000 government-sector service jobs. On June 11 he told the PRT that 13,000 workers (8,000 in Mosul and 5,000 in the districts and sub-districts) have already been hired and will be paid for the month of June; we do not yet have independent confirmation that the workers are already on the payroll, but the process is clearly on track. He said he hopes to use the remaining 2,000 slots to hire police, but if that is not approved, he will use those positions to hire additional government service workers. He has also repeatedly highlighted the critical importance of getting Mosul Airport reopened) a high priority for the PRT and Coalition Forces as well - and with bringing in foreign investors to the province. PRT and 3ACR toured the airport facility with Chalabi to identify key milestones and obstacles. Chalabi, in addition, has said that he is contemplating a major reform in the PDS (food-ration distribution) system that would involve monetization, but we do not know whether this already has Baghdad approval.

¶6. (C) Separately, Chalabi told the PRT June 11 that he invited contractors) more than 60, nearly all from Ninewa) to bid on a wide range of quick projects, and that the bids will be opened early next week. Chalabi emphasized that he is careful to follow strictly the process he has laid out, since people are watching him as well, looking for anything suspicious. He said he believes that the process is going smoothly to date. In our June 4 conversation, Chalabi alluded to some resistance in his work from the Ministry of Interior and the Ministry of Defense, but recent indications are that Ninewa Operations Center (NOC Commander LTG Riyadh has been very responsive to his concerns.

The Governor is Not in the Driver's Seat

¶7. (C) Chalabi) likely reflecting a very clear political agenda from the Prime Minister) has not hesitated to show that the Governor (Note: A Sunni Arab from a prominent local

family but widely viewed as a puppet of the Kurdistan Democratic Party (KDP). End note) and Vice Governor are not calling the shots. In a meeting with the PRT June 4, Chalabi said the Governor supports him, but he does not trust the Governor's information and commitment to helping the province. "I can't rely on the Governor for anything," Chalabi said, adding that he needs to see projects personally to know that he can trust what the details of the work would be. "The Governor has brought no life to the city," he said. Chalabi said the Governor needs to work with him, or Chalabi would go around him. Chalabi expressed commitment to working closely with the Governor: "I am on him like tape." Because the Governor is so unpopular in Ninewa, and because Sunni Arabs are especially frustrated with KDP control of the provincial government, Chalabi's boxing in of the Governor on the financial/administrative side, while NOC Commander LTG Riyadh boxes him in on the security side, are a ray of hope for the majority Sunni Arabs, and others.

Don't Forget about the Provincial Capital Budget

¶8. (C) On the downside, Chalabi seems in no rush to have the Ninewa Capital Budget executed (ref b), citing capacity problems in provincial administration. He wants his \$100 million reconstruction plan to take priority, rather than having the two processes run in parallel. (Comment: We believe that the local Directors General and the provincial bureaucrats are more than ready to execute the capital budget, and these projects are also desperately needed by Ninewa's citizens. End comment) Chalabi's \$100 million fund comes in the context of a perception at the provincial level that the central government, particularly the Ministries of Finance and Planning, are providing minimal support to the normal provincial capital budget execution process.

Another Facet of PM Maliki's Political Agenda?

¶9. (S) Chalabi is also adamant to see enforced an order from the GOI that political parties vacate offices they occupy that are government property) an unpopular order for the political parties) including the KDP and the Iraqi Islamic Party. (Note: We have taken a neutral stance on this issue, but emphasized that our priority is the successful implementation of the Mosul Reconstruction Plan. End note) In what is likely a related move, Chalabi made an appeal for USG support to help remove T-walls and other road barriers on

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the streets surrounding the KDP headquarters, which could be sufficient enough degradation of security protections to force the KDP to leave. The KDP will likely see Chalabi's campaign as an actual attempt to make a political move to get the KDP out of its current location, as well as part of a high-level squeeze on Kurdish influence in Ninewa Province.

Comment

¶10. (C) Chalabi is handling his assignment in Mosul very professionally, by all accounts. It is clear that there is a larger political agenda at work, but that may also serve as a stabilizing force in a province where Sunni Arabs have felt alienated from the political process. His inclusion of all of Ninewa in the reconstruction effort is also sound politics, both for areas that have felt neglected, and those that have received perhaps too much "help" from the neighboring Kurdish Regional Government, rather than its own provincial government. We also speculate, although he has not said so to us, that Chalabi, a Sunni Arab with roots in Mosul, may be positioning himself to run for Governor.

¶11. (C) In January, a prediction would have seemed wildly optimistic that by now the Government of Iraq would have appointed a dynamic official to oversee Mosul reconstruction,

that Ministerial visits to the city would have become a commonplace, that a \$100 million "down payment" was in the bank here and beginning to be disbursed, and that hundreds of millions of additional dollars in provincial capital funds would be close to being released by the Minister of Finance. These developments, combined with the robust security operations, give Mosul a fighting chance to recover the stability and prosperity that its citizens so richly deserve.

PRT Ninewa has tracked Chalabi's work from the beginning and, in close partnership with Third Armored Cavalry Regiment and First Armored Division, will continue to support his reconstruction and job-creation goals.

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